

Ecuador (2013-15)

Project: The Japanese Award for Outstanding Research on Development

Research: Labor Market Effects of Mandatory Benefit Regulations and Social Security Enrollment for Maids in Ecuador

Grantee: Sara Wong

In 2013, Ecuadorian researcher Sara Wong won the first prize of Japanese Award for Outstanding Research on Development, with a proposal to study the effect of mandatory social security enrolment for the maid labour sector in Ecuador. Wong received USD 30,000 in research funding and accessed mentorship opportunities sponsored by GDN.

Based on econometric analysis that applied the difference-in-difference (DID) methodology to Ecuador's national employment datasets, Wong succeeded in showing that between 2009 and 2010, the introduction of mandatory social security enrolment had a negative impact on both wages and working hours for maids.

The study was presented in a workshop in November 2014 at Ecuador's Escuela Superior Politecnica del Litoral, disseminated through the production of a policy brief and personally handed over to the Minister of Labour by the author. Though policy impacts are hard to predict in the current institutional climate of Ecuador, the research succeeded in bringing the public's and media's attention to consider the possibility that enforcing social security coverage might also imply negative effects on labour markets. This is critical at a time when comparable policies are being adopted throughout Latin America and Africa. Professionally, Wong feels she gained greatly in terms of academic skills through her work supported by GDN, and her sponsored attendance to conferences and events in other countries gave her both visibility and a chance to expand her network beyond national boundaries.